



"People
helping people
help
themselves"

Joseph Kernan, Governor
State of Indiana

Office of Medicaid Policy and Planning
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INDIANAPOLIS, IN 46204-2739

Cheryl Sullivan, Secretary

MEMORANDUM

TO: Medicaid Oversight Committee

FROM: Dr. John J. Wernert, Chairman

SUBJECT: Annual Review of MCO Formularies, per PL 228

DATE: October 18, 2004

Included with this memorandum is a report based on the formularies, also referred to as Preferred Drug List or PDL, of the Hoosier Healthwise Managed Care Organization (MCO) participating in the risk-based portion of that program. This report is being submitted in accordance with IC 12-15-35-48 (SEA 228) which requires this report. The report is in two parts:

- A comparison of each MCO's formulary against Medicaid's fee-for-service formulary, noting which drugs are "open" with no restrictions on access and which drugs have any "clinical edits" or restrictions on access.
- A second set of reports provides information on each MCO's Prior Authorization (PA) program.

We have one recommendation we would like the DUR Board to consider. The Annual PA listing details statistics from the previous calendar year, whereas the Combined PDL is an up-to-date listing. As discussed at the September DUR Board meeting, the Managed Care Unit would prefer to schedule these annual reports for March of each year, beginning with the March 2005 DUR Board meeting. This would standardize the timeframe for reporting both the comparison PDL and the PA requests, and eliminate confusion caused by the 8-10 month lag in the reporting period.

Should the Oversight Committee have any questions, please refer them to me and I'd be happy to coordinate a response.

